



The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
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DEVAL PATRICK
Governor

TIM MURRAY
Lieutenant Governor

JAY GONZALEZ
Board Chair

GLEN SHOR
Executive Director

Board of the Commonwealth Health Insurance Connector Authority

Minutes

Thursday, November 10, 2011
9:05 AM to 11:00 AM
One Ashburton Place
Boston, MA 02108
21st Floor Conference Room

Attendees: Jay Gonzalez, Dolores Mitchell, Glen Shor, Ian Duncan, Celia Weislo, Nancy Turnbull, Andres Lopez, Joseph Murphy, Julian Harris, Jonathan Gruber, George Gonser and Louis Malzone.

The meeting was called to order at 9:07 AM.

- I. Minutes:** The minutes of the September 8, 2011 meeting were approved by unanimous vote.
- II. Executive Director's Report:** Glen Shor opened by welcoming Julian Harris, the Commonwealth's new Medicaid Director, and George Gonser, who will occupy the newly created broker representative seat, to the Board. Mr. Shor then announced some personnel news from the Commonwealth Health Insurance Connector Authority (CCA) at the Senior Staff level. He informed the Board that Roni Mansur, formerly Director of Commonwealth Choice (CommChoice), has been promoted to Chief Operating Officer. Next, Mr. Shor announced Stephanie Chrobak's promotion from Director of Commonwealth Care (CommCare) to Director of Operations. He also informed the Board that Ashley Hague has been promoted to the Senior Staff, assuming the role of Chief of Staff, while continuing to serve as Assistant General Counsel.

Mr. Shor continued by providing the Board with updated enrollment figures for CommCare and CommChoice. He reported that CommCare enrollment decreased slightly from October 2011 to November 2011, with the program currently having 157,806 members. Mr. Shor informed the Board that CommCare Bridge (Bridge) now has 13,780 members. Finally, he stated CommChoice currently has 40,020 members.

Next, Mr. Shor informed the Board that oral arguments for *Finch v. Commonwealth Health Insurance Connector Authority* occurred on October 6, 2011. He said the CCA is expecting a decision on this case relatively soon. Then Mr. Shor spoke about the CCA's recently released 2011 Progress Report, which was provided to the Board at the meeting.

The Board voted unanimously to go into recess at 9:22 AM to hold the CCA annual Board meeting. The meeting resumed at 9:25 AM upon completion of the annual meeting.

III. National Health Care Reform Update and Exchange Planning Project Management RFP (VOTE): Kaitlyn Kenney began by summarizing some regulations recently issued by the federal government on the Affordable Care Act (ACA), on which the CCA officially submitted comments. She then provided an update on the Exchange Establishment Grant opportunities available to the CCA. The final part of Ms. Kenney's presentation summarized the CCA's procurement of a vendor to assist the CCA in creating a project management structure which will help guide the CCA in transitioning to an ACA-compliant exchange. Ms. Kenney summarized the deliverables which the selected vendor will provide and the process utilized by the CCA's procurement management team to select a vendor. Finally, Ms. Kenney displayed the scoring results of the procurement, and stated that, based on those results, the CCA is recommending that the project management contract be awarded to Deloitte Consulting.

Noticing that the scoring results displayed in the presentation did not identify the bidders who were not selected by the CCA, Dolores Mitchell asked if it is a matter of CCA policy that these names were not displayed. Ms. Kenney responded that historically the CCA has not identified the bidders who were not selected when procurement results have been presented to the Board and that the current presentation is consistent with that precedent. Ms. Mitchell stated that, in this age when transparency is so important, it is worth discussing whether this practice should be continued. Celia Wcislo asked how long the contract with the selected vendor will last and what funding will be used to pay the selected vendor. Ms. Kenney responded that the engagement will last eight to nine weeks and will be largely funded through federal grants. Julian Harris asked if the selected vendor will staff the project management office after it is set up during the eight to nine week period. Ms. Kenney stated that the approval that the CCA is seeking from the Board only calls for the selected vendor to establish a project management office and roadmap to ACA compliance. However, the contract does provide for an optional extension period during which time the vendor would staff the project management office. Ms. Kenney added that the CCA is not committing to enacting the optional extension at this time. Ms. Kenney then highlighted some of Deloitte's strengths, identified by CCA staff, which has led to them being recommended. Ms. Kenney stated that Deloitte has significant experience in assisting other states in constructing roadmaps to guide them to ACA compliance, with those projects having a similar scope and level of complexity. Ms. Kenney also communicated that Deloitte displayed a significant amount of knowledge about the CCA, which provided the CCA with confidence they will be able successfully provide the deliverables requested by the CCA. Ms. Mitchell asked for the value of the CCA's proposed contract with Deloitte. Ms. Kenney said the value is \$255,900. Ms. Wcislo asked if the Deloitte team is going to be working in Boston. Ms. Kenney responded that the entire team is based in Boston, with three members of the team working at the CCA's location full time and the other two team members being on-site as appropriate. The Board then voted unanimously to authorize the Executive Director to enter into a contract, on terms outlined by staff, with Deloitte to provide project management services.

IV. Introduction to FY 2013 Commonwealth Care MCO Procurement: Jean Yang opened by summarizing some of the fiscal challenges facing CommCare in FY 2013 and the goals of the FY 2013 procurement. Secretary Gonzalez emphasized that the CCA will face the same types of choices in creating a procurement strategy in FY 2013 that were faced in FY 2012 because of fiscal pressures on the program. Ms. Yang stated that it is the goal of the CCA to take an approach to CommCare procurements that is cost effective while maintaining benefits and access to care. Ms. Yang highlighted that considering options to further enhance the precision of CommCare's risk adjustment is a key initiative for the program in FY 2013. Ms. Mitchell

asked what sort of risk adjustment methodology is currently being used in CommCare. Ms. Yang replied that CommCare utilizes an industry standard HCC framework provided by Verisk Health, Inc. Ms. Mitchell stated that the Group Insurance Commission (GIC) also works with Verisk Health and would be interested in the results of the CCA's work with CommCare's risk adjustment methodology. Nancy Turnbull asked how this initiative relates to the "three R's" (risk adjustment, risk corridor and reinsurance). Mr. Shor replied that CommCare utilizes the "three R's" in order to ensure that CommCare is a program where managed care organizations (MCOs) are able to compete on equal ground, especially in light of the difference in the MCOs' networks. Mr. Shor added that national reform calls for the "three R's" to be brought into the unsubsidized market, noting the CCA does not currently utilize the "three R's" in CommChoice. However, the CCA is planning on working with other state agencies and health insurance carriers to determine how the "three R's" will be implemented in the individual and small group market. Ms. Yang then mentioned that the CCA will be looking to evaluate opportunities to pilot incentive mechanisms for payment reform through CommCare during FY 2013. Ms. Weislo asked Ms. Yang if she could provide any examples of these incentive mechanisms. Ms. Yang said it is a little too early to articulate an example at this point. However, she stated that the CCA will be studying existing models in the industry and will be seeking the Board's input on this matter. Louis Malzone asked how the CCA will approach the CommCare MCO procurement in light of the fact that national reform will significantly change the program's membership. Recognizing that CommCare has about eighteen months remaining in its existing state, Secretary Gonzalez responded that the CCA and Commonwealth are currently working to evaluate the possible options in terms of length of contract with the MCOs for the upcoming procurement.

- V. A&F Subcommittee Charter (VOTE):** Edward DeAngelo started by providing background information on the Administration and Finance (A&F) Subcommittee and an overview of the proposed charter for the Subcommittee. Mr. DeAngelo explained that the proposed charter was approved by the A&F Subcommittee with an amendment to reflect the fact that the Subcommittee can only recommend compensation and adjustments to compensation for the CCA's Executive Director. This is because, by statute, determining compensation for the Executive Director is designated as a responsibility of the Chair of the CCA's Board of Directors. Ms. Mitchell asked if the Subcommittee's oversight of CCA staff compensation is limited to the Senior Staff. Secretary Gonzalez replied that the proposed charter is meant to reflect state law requiring Board oversight of Senior Staff compensation, consistent with the findings of the Crosby Report. However, he stated there is nothing in the charter that precludes the Subcommittee from reviewing the salaries of all staff members and he added that the salaries of the CCA staff as a whole are reviewed as part of discussions about the CCA's administrative budget. The Board voted unanimously to approve the charter for the A&F Subcommittee, as submitted by the Subcommittee.

- VI. Wakely Consulting Group Contract Extension (VOTE):** Jonathan Gruber recused himself from this section of the meeting because of his professional relationship with Wakely Consulting Group (Wakely) in another state. Mr. Gruber departed at 10:09 AM.

Ms. Yang opened by providing background information on the CCA's relationship with Wakely, which provides actuarial services for CommCare and other related programs, and then highlighted the reasons the CCA is recommending that the contract with Wakely be extended. Ms. Yang stated that the CCA has had a positive experience with Wakely, Wakely has competitive billing rates, and Wakely has contributed significantly to CommCare. Secretary Gonzalez said he has spoken with CCA staff concerning Wakely and agrees there is a compelling case to extend the Wakely contract. Ms. Weislo asked if Wakely's analysis will be able to take into account the possible reintegration of the Aliens with Special Status population

and a possible growing number of residents leaving the Medical Security Program and joining CommCare, which Ms. Yang confirmed. Ms. Wcislo asked if the Commonwealth tracks the extent to which state agencies are contracting with the same vendors for similar services. Secretary Gonzalez replied that there is not detailed tracking in this regard and that the Commonwealth can and should do more to leverage their purchasing power. Ms. Mitchell added that the GIC currently has a policy of asking bidders to provide the names of large organizations and state agencies with which they have engagements. The Board voted unanimously to authorize the Executive Director of the CCA to enter into a one year renewal, to expire on December 31, 2012, of the contract with Wakely to provide actuarial services.

The meeting was adjourned at 10:19 AM.

Respectfully submitted,
Andrew J. Graham